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HB 7126

Public Hearing: 3-2-17

TO: MEMBERS OF THE INSURANCE AND REAL ESTATE COMMITTEE
FROM: BILL SCALZI
PRESIDENT, METROTAXI
PRESIDENT, NATIONAL TAXI, LIMOUSINE & PARATRANSIT ASSOC.
DATE: MARCH 3, 2017

RE: **HB 7126 – AN ACT CONCERNING TRANSPORTATION NETWORK COMPANIES**

MetroTaxi strongly urges the committee to amend this proposal to allow for taxicab companies to enjoy the same cost savings and protections afforded Transportation Network Companies (TNC's) under the insurance policies pondered in the bill. We have attached proposed substitute language which we believe will achieve that goal, making several changes to the current taxicab statutes to create an environment in which we could compete and utilize the same advantages this legislation will give TNC's.

The taxicab industry has been trying to modernize in Connecticut for many years, and this is a great opportunity to finally achieve that process, to allow the people who cannot or choose not to utilize TNC's can continue to rely on the 24 hour on-demand service our company has been providing for decades. Unlike TNC's, taxicabs cannot and do not turn down customers (redlining sections of cities), demand up-front customer payment and charge for no-shows, refuse to accept cash payments, rate customers and then refuse them service, or discontinue service during certain times of day or night.

In order to modernize and be consistent with the proposed TNC levels and types of auto liability insurance coverage, the Connecticut taxicab industry requests the following changes and additions to the current bill:

- 1) Section 6 of the bill, stating that taxicab companies must divest themselves of their taxi business before seeking a TNC permit, be deleted.
- 2) Allow potential taxicab drivers a ninety-day grace period during which their "F" endorsement may be granted before securing fingerprinted background checks, which would then still be mandatory.

- 3) Remove fare rate setting, allowing taxicabs to pass savings from insurance alternatives onto customers.
- 4) Make removable rooftop lights the new identification requirement for taxicabs
- 5) Allow for registration of private vehicles so that the new insurance products would be available to taxicab companies or drivers who choose to utilize a part time model

These sensible changes are crucial this year to allow for taxicab companies to enjoy the same benefits TNC's are being offered, while maintaining the solid financial responsibility through properly insuring every driver and passenger in the most cost effective way possible.

In addition to the request for additional language as outlined above, the industry would be remiss if it did not point out the following serious issues with the current language in the bill as it relates to TNC's:

- Lines 19-20 of the bill require that a TNC driver be specifically designated as "not an employee". This particular language has nothing to do with insurance and attempts to do an end run around Connecticut's labor laws and the Federal Fair Labor Standards Act by legislatively deeming drivers to be independent contractors, regardless of the manner in which the drivers are actually treated and at a time when TNC's around the country are facing lawsuits over this very issue. In Connecticut, whether a worker is considered to be an employee or an independent contractor is dependent upon the Department of Labor utilizing what is known as the ABC test. Those results will determine whether the TNC drivers are considered independent contractors but, with specific regard to the rights of the drivers, this decision should be left up to the Department, not imposed upon them by the legislature.
- The taxicab industry still strongly opposes allowing TNC drivers to operate without full fingerprinted background checks. Our industry has been complying with this requirement and keeping Connecticut citizens safe, and we see no reason a new model should be allowed permanent ride-for-hire status without utilizing the most stringent and proven background FBI and CT State Police checks. Requiring compliance with the existing Taxi statute for each TNC driver to have an 'F' endorsement on their license would also mandate that the driver undergoes a complete physical upon application and again each time their license renews.
- Lines 133-137 of the bill exclude any TNC vehicles from being registered as commercial vehicles, even if the TNC itself owns and leases or allows drivers to use them. This is a large loss of revenue to the state and any other small business owner or employee who uses their personal vehicle for employment purposes would need to at the very least register for combination plates. It doesn't make sense why this one part of one industry should be exempted from these requirements, particularly if the company itself owns the vehicle outright.

WE RESPECTFULLY URGE YOU TO AMEND THIS PROPOSAL TO ALLOW THE TAXICAB INDUSTRY TO THRIVE ALONGSIDE TRANSPORTATION NETWORK COMPANIES.